



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
July 23, 2004

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Michael Connelly, Chair
Jeannette Wood, Vice Chair
Francis Martin, Secretary
Earl Tilly, Member
Jane Noland, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Senior Counsel
Linda Dalton, Sr. Asst. Attorney General
Ruthann Bryant, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Michael Connelly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Connelly commented on the golf tournament and picnic held the previous evening and thanked the staff members who organized the event. He also noted that Senator Roach will be holding a work session in September to evaluate Washington's campaign finance law.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Minutes

Motion 05-001

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**The Commission adopts the minutes
of June 22, 2004, as written.**

The motion passed unanimously.

Advisory Matters
Independent Expenditures

Susan Harris followed up on an issue initially discussed on June 22 regarding a request for guidance submitted by Timothy Harris, general counsel for the Building Industry Association of Washington (BIAW), asking if a candidate may assist a PAC that intends to make independent expenditures supporting that candidate.

Mr. Harris was present and provided further clarification of his request.

After discussion, the Commission requested that staff draft a response to Mr. Harris for consideration at the August meeting.

Issue Ads

Senior Assistant Attorney General Nancy Krier continued discussion from the June meeting regarding the decision issued by the State Supreme Court in *WA St Republican Party v. PDC* case, and by the U.S. Supreme Court in *McConnell et al. v. Federal Elections Commission*.

Ms. Krier discussed the options available to the Commission on how to proceed with respect to whether coordination or collaboration on issue ads between a candidate and the person sponsoring the ads means that the issue ad expenditure by that person should be considered a contribution to the candidate benefited under PDC statutes.

Attorney John White, representing the WA State Republican Party, was present and encouraged the Commission to continue its current practice at least through the 2004 election cycle.

The Commission concurred that for the 2004 election,

- 1) Political advertising that qualifies as express advocacy under PDC Interpretation 00-04 that

is made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate is a contribution that is subject to limits;

- 2) Until the matter of what is an "issue ad" in Washington State is resolved post –*McConnell* (by the PDC through an interpretation or rule, by the Legislature, or by the courts), determine that if political advertising is an issue ad under PDC Interpretation 00-04, the cost of the ad will not be considered a contribution subject to limits even if the expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate; and
- 3) Any advertising that meets the definition of "political advertising" must include the sponsor and party identification, and is reportable.

2005-07 Budget Request

Vicki Rippie reported on proposed budget decision packages for both maintenance and performance levels necessary to maintain accurate and timely access to information.

Draft Agency Request Legislation

Vicki Rippie summarized potential agency request legislation for the upcoming 2005 Legislative Session. She noted that staff will hold a stakeholder meeting for all interested parties to have the opportunity to participate and bring a final draft for Commission consideration at the August meeting.

Reporting Modifications

New

*Mark Polin, Candidate, Whatcom Co
Charter Review Commission*

Phil Stutzman reported that Mr. Polin requests an exemption from reporting all financial information relating to his spouse from whom he is separated.

Motion 05-002

Moved by Commissioner Tilly, seconded by Commissioner Noland:

The Commission grants Mark Polin the requested reporting modification.

The Commission finds that literal application would cause a manifestly

unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewal (with changes)
*Steven Hill, Regent, Washington
State University*

Phil Stutzman noted that Mr. Hill requested that consideration of his modification be held until a future meeting so that he could participate.

Renewal (no change)
*Melinda Travis, Commissioner,
WA State Lottery Commission*

Phil Stutzman reported that Ms. Travis requested a renewal of a previously granted modification for an exemption from reporting business and other governmental customers of Itron, Inc., where her husband is the chief financial officer.

Motion 05-003

Moved by Commissioner Martin, seconded by Commissioner Tilly:

The Commission grants Melinda Travis the requested reporting modifications.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Enforcement Matters
Requests for Review
Marsha Hawkins, Case #04-535

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Ms. Hawkins was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. She was assessed a penalty of \$200. The form was filed on June 18, 2004.

Ms. Hawkins' spouse provided a letter stating that the form had not been filed in a timely fashion due to medical reasons and that he and his wife could not afford to pay the non-suspended portion of the penalty.

There was no motion to review this matter.

The Commission directed staff to develop a payment plan with Ms. Hawkins.

Daniel Mann, Case #04-622

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Mr. Mann was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. He was assessed a penalty of \$300. The form was filed on July 15, 2004.

Mr. Mann provided a letter which stated that he had overlooked his annual filing obligation due to family medical issues that forced him to spend considerable time out of the state.

There was no motion to review this matter.

Robert Taylor, Case #04-612

Phil Stutzman reported that a brief enforcement hearing was held on June 21, 2004 in which Mr. Taylor was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs. He was assessed a penalty of \$150. The F1 was received on June 28, 2004.

Mr. Taylor provided a letter stating that he was on military active duty from June of 2003 until April 27, 2004 and spent approximately six months serving in Iraq.

Motion 05-004

Moved by Commissioner Noland, seconded by Commissioner Martin:

The Commission vacates the order in PDC Case #04-612, Robert Taylor.

The motion passed unanimously.

Strategic Plan Final Report

Vicki Rippie summarized the FY 2004 Strategic Plan Final Report.

Staff Reports

Executive Director

Vicki Rippie updated the status of the FY 2004 budget which ended on June 30th.

Assistant Director

Susan Harris reported on a new process being established for Personal Financial Affairs non filers to encourage compliance.

Chief Technology Officer

Michael Smith updated the progress of the ORCA project and IT staff changes.

Senior Counsel

Nancy Krier briefly summarized the status of current cases.

Executive Session

The Commission went into executive session at 11:54 a.m. to discuss pending and potential litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session at 12:05 p.m. and Commissioner Connelly adjourned the meeting. The next meeting is scheduled for Tuesday August 24, 2004.

Approved by the Commission 8/24/04